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[Provisional Translation Only]

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February 25, 2016

REIT Issuer

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Ichigo Hotel REIT Operating Results – January 2016

Ichigo Hotel REIT hereby announces its January 2016 Occupancy, ADR, RevPAR, and Revenues:

Total Occupancy, ADR, and RevPAR of Ichigo Hotel REIT Portfolio Assets

	Occupancy (%)	ADR (yen)	RevPAR (yen)
December 2015	88.8	7,806	6,932
January 2016	84.9	6,535	5,549
Jan 2016 Period Cumulative	86.9	7,184	6,240

Occupancy, ADR, RevPAR, and Revenues for Individual Assets

		Jan 2016 (A)	Jan 2015 (B)	Difference (A-B)	YOY Change	Current Fiscal Period Dec 2015 – Jan 2016		
						Cumulative	YOY Difference	YOY Change
Smile Hotel Kyoto Shijo	Occupancy (%)	100.0	99.9	+0.1	+0.1%	100.1	+0.1	+0.1%
	ADR (yen)	6,604	6,354	+250	+3.9%	8,254	+705	+9.3%
	RevPAR (yen)	6,606	6,350	+256	+4.0%	8,261	+712	+9.4%
	Revenues (mm yen)	30	29	+1	+4.1%	75	+7	+9.5%
Hotel Vista Premio Kyoto	Occupancy (%)	80.1	77.4	+2.7	+3.5%	82.7	+0.6	+0.7%
	ADR (yen)	10,487	9,685	+802	+8.3%	11,535	+1,105	+10.6%
	RevPAR (yen)	8,405	7,495	+910	+12.1%	9,540	+973	+11.4%
	Revenues (mm yen)	23	21	+3	+12.5%	53	+5	+11.7%
Hotel Wing International Nagoya	Occupancy (%)	87.1				90.4		
	ADR (yen)	5,222				5,542		
	RevPAR (yen)	4,549				5,012		
	Revenues (mm yen)	36				78		

		Jan 2016 (A)	Jan 2015 (B)	Difference (A-B)	YOY Change	Current Fiscal Period Dec 2015 – Jan 2016		
						Cumulative	YOY Difference	YOY Change
Nest Hotel Sapporo Ekimae	Occupancy (%)	86.3	97.8	- 11.5	- 11.8%	89.4	- 8.2	- 8.4%
	ADR (yen)	5,563	4,495	+1,068	+23.8%	6,178	+1,046	+20.4%
	RevPAR (yen)	4,799	4,396	+403	+9.2%	5,521	+511	+10.2%
	Revenues (mm yen)	34	32	+2	+5.4%	80	+8	+10.5%
Chisun Inn Osaka Hommachi	Occupancy (%)	91.2	79.1	+12.1	+15.3%	89.6	+8.1	+9.9%
	ADR (yen)	8,806	6,363	+2,443	+38.4%	9,020	+2,709	+42.9%
	RevPAR (yen)	8,031	5,035	+2,996	+59.5%	8,079	+2,938	+57.1%
	Revenues (mm yen)	32	20	+12	+59.5%	65	+24	+57.1%
Comfort Hotel Hamamatsu	Occupancy (%)	69.8				72.4		
	ADR (yen)	5,817				5,923		
	RevPAR (yen)	4,061				4,287		
	Revenues (mm yen)	25				52		
Nest Hotel Sapporo Odori	Occupancy (%)	95.0	95.9	- 0.9	- 0.9%	93.9	- 2.4	- 2.5%
	ADR (yen)	6,704	5,189	+1,515	+29.2%	7,327	+1,205	+19.7%
	RevPAR (yen)	6,367	4,979	+1,388	+27.9%	6,879	+982	+16.7%
	Revenues (mm yen)	27	22	+5	+24.0%	58	+8	+16.9%
Valie Hotel Tenjin	Occupancy (%)	85.0	82.8	+2.2	+2.7%	85.4	- 2.6	- 3.0%
	ADR (yen)	8,434	6,283	+2,151	+34.2%	8,998	+2,450	+37.4%
	RevPAR (yen)	7,173	5,201	+1,972	+37.9%	7,688	+1,923	+33.4%
	Revenues (mm yen)	18	14	+5	+35.0%	39	+9	+29.4%

Notes:

- The above figures are as provided by the hotel operators except for those figures calculated by Ichigo Real Estate Investment Advisors (“IRE”) based on the information provided by the hotel operators. The monthly figures have not been audited nor have been examined thoroughly by IRE due to its nature, thus the accuracy of each figure is not guaranteed. Also, the above figures may not match the figures on Financial Reports to be submitted in the near future.
- Occupancy is calculated using the following formula:

$$\text{Occupancy} = \frac{\text{Total number of guest rooms occupied during the period}}{\text{number of guest rooms} \times \text{number of days the hotel was in operation during the period}}$$
Occupancy may exceed 100% in the following cases: 1) a guest had pre-paid for a guest room but checked out early, allowing the guest room to be occupied by a different guest; or 2) a guest room is occupied for less than one day by different guests.
- ADR or Average Daily Rate is calculated using the following formula:

$$\text{ADR} = \frac{\text{Total revenues from accommodations (excluding restaurant charges and other service fees)}}{\text{number of guest rooms occupied}}$$
- RevPAR is Revenue Per Available Room, i.e., total revenues from accommodations (excluding restaurant charges and other service fees)/number of available guest rooms.
- Revenues are total revenues from accommodations and related services only. Non-hotel rental income at Hotel Vista Premio Kyoto and Chisun Inn Osaka Hommachi is not included.
- Hotel Wing International Nagoya and Comfort Hotel Hamamatsu are not included above, as the hotel operators have not consented to the data’s disclosure.
- Since the rent for Comfort Hotel Hamamatsu is fixed, operating results has no impact on the rent.

8. Past data for Hotel Suave Kobe Asuta is not included above, as the hotel operator has not consented to the data's disclosure.

Value Enhancement Activities

At the Valie Hotel Tenjin, Ichigo Hotel REIT has newly opened a restaurant and a lounge and began serving breakfast to guests in February.

Renovation Objective and Details

Ichigo Hotel REIT renovated the space next to the reception area on the first floor, turning it into a restaurant and lounge for hotel guests to spend time and relax.

Valie Hotel Tenjin is located in Tenjin, Fukuoka's most vibrant business, shopping, and entertainment district. Having remodeled all of the guest rooms in 2015, the hotel achieved a 30% YOY increase in the ADR to January 2016. To further improve the guest experience and add value to the hotel, Ichigo Hotel REIT has added a restaurant that serves breakfast and a well-lit and spacious lounge. Guests can relax and enjoy free coffee and Wi-Fi and use the electrical outlets in a cafe-like atmosphere.

Ichigo Hotel REIT will continue to work with its hotel operator partners to increase the value of Ichigo Hotel REIT assets.

